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ER 1-1186

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director of Central Intelligence

DATE: 7 July 1950 *PMH*

FROM : Acting Executive

SUBJECT: Proposed Plan for Realignment of Certain Agency Functions

References: a. Memo from Management Officer to Acting Executive, subject as above, dated 3 July 1950.

b. Memo from DCI to Acting Executive re above subject dtd 6 July 1950.

1. It is evident from reference "b" that the intent of the proposal contained in reference "a" has not been made clear.

2. The Management Officer has requested authority to coordinate his plan with all interested components of the Agency. This coordination will require that each Assistant Director and Staff Chief who may be in any way affected by the proposal be thoroughly briefed on both specific and overall implications, and they will have full opportunity for thorough discussion and comment, including any desired dissent. The Director will be completely informed of the stand of each interested official when study and coordination have been completed to the point where specific recommendations are warranted for final decision by the Director.

3. The proposal does contemplate transfer of certain functions currently assigned to OCD. As a partial basis for this we have on record a written recommendation from the Assistant Director for Collection and Dissemination suggesting that certain of these transfers of functions would be appropriate. However, for the purpose of this study, this has not been considered as final on his part, and he will have the full opportunity indicated above to take part in the coordinated development of the proposed plan and to take any stand in connection therewith which he may now consider appropriate.

4. It is not anticipated that either additional personnel or funds would be required to implement this proposal. In fact, should the changes prove finally feasible and desirable, some saving in both personnel and funds would probably result.

5. I am sure that the Management Officer did not intend to give the impression of having made a decision about the eventual disposition of OO/C. All of us fully understand the implications of the currently suspended Security Council decision of last August, and that if we are directed to implement the decision as given it will vitally affect certain of the proposals made in reference "a". If it should finally be determined to be desirable and feasible to make any or all of the changes proposed in this current study, the actual implementation of some of them would definitely be subject to the future status of OO/C when such status has been finally determined.

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ORIG COMP	5	PAGES	30
ORIG CLASS	5	REV CLASS	8
JUST	22	NEXT REV	2011
AUTH	HR	DATE	029725

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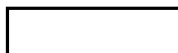
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CENTRAL INTELLIGENCE AGENCY
WASHINGTON 25, D. C.

6 July 1950

MEMORANDUM TO: ACTING EXECUTIVE

1. The attached proposed plan is returned.
2. While it may appear of interest, before being considered, I would like to have the comments of the various Assistant Directors.
3. There are several points I would like cleared up for my own information:
 - A. As this appears, in many respects, to be a dismemberment of OCD, what is the effect on numbers of personnel in the various changes? Will an increased number of personnel be needed?
 - B. What is the money connection with such changes? Will increased funds be needed?
 - C. In Paragraph 7, Management produces a very fine decision in that OO/C not be incorporated in the proposed Office of Operations. This is a subject that we have argued over and discussed in the Security Council and in the various Boards, and they have directed that it be so incorporated. How are we going to get around this?

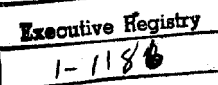


R. H. HILLENKOETTER
Rear Admiral, USN
Director of Central
Intelligence

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Approved For Release 2002/05/01 : CIA-RDP81-00261R000600040032-1



Acting Executive

3 July 1950

Management Officer

Proposed Plan for Realignment of Certain Agency Functions

1. There is attached hereto a draft of a proposed plan for the realignment of certain Agency functions based on studies made by this office and comments received from various operating officials. Briefly the plan proposes the following changes:

a. Redesignate Office of Collection and Dissemination as Office of Reference and Dissemination.

b. Transfer function of coordination of requirements and assignment of collection action from OCD to joint control of ORE and OSI.

c. Transfer function of collection of material from other government agencies from OCD to OO.

d. Transfer ORE presentation function to OO.

e. Transfer function of governmental liaison control and records from OCD to I&SS.

f. Redesignate Office of Operations as Office of Overt Collection.

g. Transfer function of administrative machine records support from OCD to SSS.

2. It is our belief that the proposal submitted has been soundly conceived and that if adopted will result in more efficient and effective Agency operations.

3. Request authority to coordinate the proposed plan with all interested components of the Agency.

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Encl: Proposed Plan

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PROPOSED PLAN FOR REALIGNMENT OF CERTAIN AGENCY FUNCTIONS

1. A series of Management Staff studies of CIA operations undertaken within the past year disclose that serious deterrents to operating efficiency could be removed by realignment of Agency functions. Therefore, it is recommended that the Office of Collection and Dissemination be redesignated the Office of Reference and Dissemination and that the major functions listed below be transferred as indicated.

2. Coordination of information requirements and assignment of collection action from OCD, Liaison Division, to joint control of the requirements Staffs of the Assistant Directors of ORE and OSI.

Discussion: The functions of coordinating requirements and assigning collection action are so closely integrated that they can properly be considered as a single function. Experience has shown that requirements have been most easily satisfied when informal liaison with the collecting agency is possible in the initial stages of requirements formulation. The timing of requirements, as well as the information to be collected, must be evaluated for collectability by the collector. In many cases, the collector is the dominating factor as to whether certain information can be obtained and should be formalized as a requirement. Full coordination of requirements in the production offices will, as a matter of course, provide for the participation of OO and SO in the requirements activity. Also, it is anticipated that the requirements coordination activity will encompass, in varying degrees, participation of both intelligence contributors and information collectors of all the agencies represented

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ment basis as well as on an assignment basis. As a joint responsibility of ORE and OSI, each requirement will be processed by the Agency component who is most interested in obtaining the necessary information for the proper evaluation of intelligence, with such requesting component being empowered to negotiate directly with the collecting facilities at an early stage of requirement formulation.

Further, there will be one less echelon in the requirements process. Experience has indicated that for every additional echelon between the formulation of a request and the completion of the action, the basic information desired is adulterated and possibly weakened. Also, the time taken to effect completed action on a requirement is lengthened by the additional processing required.

Under normal circumstances, the Management Staff would rarely recommend that a major function be placed under joint control of two Assistant Directors. In this case, however, it appears workable because scientific requirements are primarily generated in the Scientific Intelligence Committee. Thus, except in isolated instances, all requirements of GSO, OPC, OO, and other intelligence agencies referred for coordination will fall within the jurisdiction of ORE and can be directly routed to this Office for action. Coordination of ORE and OSI requirement activity can be enhanced by installation of uniform procedures and by physically locating these two Staffs in adjoining space.

3. Collection of intelligence materials available in operating units of other government agencies from OCD, Liaison Division, and from ORE, Presentation Division, to Office of Operations.

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Discussion: The overt collection function of this Agency has been divided between several collection activities located in different Offices. It is envisaged that ultimately all overt collection will be located in one Office. The transfers proposed in this paragraph for immediate action would bring together all overt collection activity with the exception of the It is possible that this OSI activity could also be transferred to OO in the near future. Then, the Office of Operations could be renamed the Office of Overt Collection.

There is a very important further point to be considered in conjunction with assignment of the overt collection function. It is one thing to collect material, record it, index it, and place it on shelves for future reference. It is a quite different proposition to collect intelligence materials analyze, select, and edit the information and prepare information reports from these materials in satisfaction of information requirements of the production analysts. Also, OO, who is now CIA's primary overt collection facility, has the experience, resources, and capabilities to effect a better collection action than OCD, ORE, or OSI for whom overt collection is a secondary responsibility.

4. Governmental liaison controls and records from the Liaison Division, OCD, to Inspection and Security Staff.

Discussion: Primary Agency control of official liaison of CIA employees with employees of other government agencies is vested in I&SS, who in the final instance determines from a security standpoint whether liaison contact may be established and continued. Therefore,

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it would appear logical that I&SS should approve or disapprove original contacts, should supervise liaison establish on a continuing basis, and should maintain the control registers. Through functional realignments suggested above, which group like functions under an office, the instance of duplication of contacts between Offices would be negligible. The Assistant Directors, as part of their administrative duties, are presently controlling duplication of contacts between divisions of their Offices and other agencies of the Government.

5. Machine records support for administrative operations from Machine Methods Division, OCD, to the Special Support Staff.

Discussion: It is a known fact that economy and efficiency can be obtained from centralization of like machine records activities. It is wholly reasonable that the Offices in L and K Buildings do not wish another office to handle their very sensitive T/Os, rosters, etc. Conversely, the other parts of the Agency could have no objection to having their administrative activities handled by a more sensitive operation in CIA. Thus, it is proposed that all the machine records support relating to administrative matters be located in L Building and handled by employees whose security clearances are acceptable to OPC, OSO and the Advisory Council. All substantive support will be retained by OCD.

6. The mission of the Office of Reference and Dissemination would embrace the two functions implied in the new name. It would be wholly responsible for the maintenance of library and reference materials such as those now held in the Library, the Biographic Division, the Industrial Division, and the Graphics Division. As part of this reference function

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it would perform certain collection activities. However, it would be a clear-cut document-type collection activity based on the fact that the materials being collected are reference materials and not a directed collection activity in the sense that OO and OSO conduct collection. Also, it would maintain the Agency archives, the records management program, courier and messenger service, the clipping service and all such common-type services as it is now rendering. Likewise, centralized machine records support to the substantive intelligence operations of the Agency would remain the responsibility of ORD. Exclusive responsibility for the dissemination function in the Agency would constitute the second major phase of the ORD mission. It is anticipated that this function can be further centralized and become of greater service to the Agency by elimination of duplicate dissemination activities in other CIA Offices and by placing greater responsibility with disseminators for the selection of intelligence materials to be routed to CIA components. (Now in process)

7. It is felt that while some of these activities are affected by the pending decision on NSC 50, most of these suggested changes can be effected without reference to NSC 50. However, I should like to make it a matter of record at this time that should this proposal be implemented and subsequently NSC 50 should be returned to CIA directing consolidation of SO, OPC, and OO/C this Office would urge that OO/C not be incorporated into the L Building consolidation. An Office of Overt Collection, as described in this proposal, would be quite different from the activities of an Office of Covert Collection and Special Operations. It is believed that CIA could operate more effectively by maintaining an Office of Overt Collection.

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